



Department of Justice

**United States Attorney Donald R. Burkhalter
Southern District of Mississippi**

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CONTACT: SHEILA WILBANKS
PHONE: (601) 965-4480
FAX: (601) 965-4409

TWO TEXAS RESIDENTS CONVICTED OF STEALING MEDICARE FUNDS

Hattiesburg, Mississippi - Theddis Marcel Pearson, of Houston, Texas and Telandra Gail Jones, of Dallas, Texas were convicted on July 2nd by a jury in federal court of stealing Medicare and Medicaid funds, U.S. Attorney Donald R. Burkhalter announced. Pearson was found guilty of five counts of making false statements related to health care, theft of government funds and conspiracy to commit money laundering. Jones was found guilty of theft of government funds and conspiracy to commit money laundering. Pearson and Jones were immediately taken into custody by the U.S. Marshal Service.

The evidence at trial showed that Theddis Pearson ran the day to day operations of Statewide Physical Medicine Group, Inc., which had offices in Moss Point, Hattiesburg, Jackson and Meridian. Statewide Physical Medicine Group, Inc., claimed to provide physical therapy services to Medicare and Medicaid beneficiaries in their homes. Telandra Jones was responsible for submitting the claims to Medicare and Medicaid, which represented that the therapy services had been provided by a doctor. The evidence at trial showed that none of the services that were billed to Medicare and Medicaid were provided by a doctor. Instead, the therapy services were provided by employees of Statewide Physical Medicine Group, Inc., none of which were physical therapists.

According to the evidence at trial, a physical therapist must complete a graduate level program, which consists of over 120 hours of study, normally completed in thirty six months, and pass a licensing examination. The employees of Statewide Physical Medicine Group, Inc., many of which had undergraduate degrees in exercise physiology or kinesiology, had little or no previous experience in physical therapy. The evidence also showed that the defendants over-billed Medicare for the services they claimed to have rendered. Statewide Physical Medicine Group, Inc., routinely submitted claims to Medicare that alleged the therapy services lasted between five to nine hours per patient, per day.

From January, 2001 until January, 2005, the defendants billed Medicare for false claims of more than \$39,000,000.00 dollars, and were paid more than \$18,000,000.00.

Pearson and Jones will be sentenced on September 26, 2010 at 9:00 a.m. by United States District Judge Keith Starrett, in Hattiesburg, Mississippi. Pearson faces up to 55 years in prison and \$5,200,000.00 in fines, as well as the forfeiture of his home in Houston, Texas. Jones faces up to 30 years in prison and \$4,200,000.00 in fines, as well as the forfeiture of her home in Dallas, Texas. The United States is also seeking the forfeiture of \$3,600,000.00 that was seized during the investigation. The defendants will also be forced to pay restitution.

This case was investigated by the Office of Inspector General of the U.S. Department

of Health and Human Services and the Federal Bureau of Investigation. Assistant U. S. Attorney Scott Gilbert and Special Assistant U.S. Attorney David Blank prosecuted the case on behalf of the United States.

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